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**Annual  
Report  
1966**



**DOMINION GLASS  
COMPANY LIMITED**



# DOMINION GLASS COMPANY LIMITED

GENERAL OFFICE

1111 BEAVER HALL HILL, MONTREAL

DEC 2 1966

## EXECUTIVE OFFICERS

L. J. BELNAP, *Chairman*

F. N. DUNDAS, *President*

N. W. MELDRUM, *Vice-President and General Manager*

J. R. MACKENZIE, *Vice-President—Manufacturing*

T. B. KING, *Secretary*

J. E. GLITHERO, *Treasurer*

## DIRECTORS

L. J. BELNAP

R. CHAGNON

R. W. COOPER

H. R. CRABTREE

K. T. DAWES

F. N. DUNDAS

T. B. KING

J. R. MACKENZIE

N. W. MELDRUM

H. E. SELLERS, C.B.E.

H. M. TURNER

## AUDITORS

TOUCHE, ROSS, BAILEY & SMART, *Chartered Accountants*

## TRANSFER AGENT

THE ROYAL TRUST COMPANY, MONTREAL AND TORONTO

## REGISTRAR

BANK OF MONTREAL, MONTREAL AND TORONTO

## TO THE SHAREHOLDERS:

Your Directors are pleased to submit herewith the consolidated balance sheet at September 30th, 1966, and the statements of consolidated income, net income retained and employed in the business and source and application of funds for the year then ended, together with the Auditors' Report thereon, and a summary of the Company's activities during the year.

Net income for the year amounted to \$1,658,284. Regular dividends were paid on the 7% Preferred shares and four quarterly distributions of 15 cents a share were made on the Common shares during the year. After the provision for Preferred dividends, balance of earn-

ings was equivalent to 70 cents per Common share.

Total sales of \$54,118,435 established a record high and were 12.9% above the level achieved last year. The gain in sales was however substantially offset by higher operating costs, resulting in a nominal increase of 1.8% in net income over the previous year. Wages continue to rise, reflecting increased labour wage rates, and these costs have had an appreciable effect on the unit costs of manufacture. New Labour Contracts were negotiated with the employees at the Hamilton, Wallaceburg and Redcliff factories during the year.



Depreciation on fixed assets of \$1,658,360 charged against income was \$37,811 more than in 1965. It is the Company's policy to provide depreciation at rates consistent with that of the preceding year, which are considered adequate to amortize the cost of these assets over their useful lives. The provision for the year was less than the maximum amount allowed as a deduction when calculating taxes on income. Following the practice of previous years, the Company intends to claim the maximum allowable, thereby reducing the amount of income taxes payable currently. This reduction, amounting to \$900,000, has been added to the provision for future income taxes.

Working capital as at September 30th, 1966 was \$15,421,695, a moderate increase of \$981,610 for the year.

Investment in plant and equipment during the year amounted to \$1,677,561.

The manufacture of plastic containers at Toronto commenced early in the Fiscal year and the volume of output has increased slowly. As was expected, a period of time must elapse before the operations of a new venture become profitable, and start-up expenses and high initial operating charges in the Plastics Division resulting from the initial low sales volume, have adversely affected the year's earnings.

The glass container factory at Burnaby, B.C. commenced operations in November 1965 and has completed a satisfactory first year. The operations at all other plant locations were maintained at a high level throughout the year.

The acceptance of the non-returnable "convenience" container in the beverage market continues to grow. As a result, your Company has augmented its facilities to maintain adequate service for this increasing demand.

Your Directors wish to express their appreciation to the employees of the Company for their service during the year.

It is with the deepest regret that the Directors

record the deaths of two members of the Board during the past year. Mr. I. R. Macdonald on December 14th, 1965 and Mr. Frank W. Ross on March 18th, 1966.

Mr. Ross, a Director of the Company from its inception in 1913, was a faithful attendant to the interests of the Company. Mr. Macdonald joined the Company in 1918 and rendered devoted service to the Sales Division, holding the position of Vice-President Sales at the time of his retirement in 1959. Their knowledge and judgment will be greatly missed.

In September 1966, Mr. H. Roy Crabtree of Montreal and Mr. Thomas B. King, Secretary of the Company, were elected Directors to fill the vacancies on the Board.

All Directors retire from office and all are eligible for re-election.

The Auditors, Messrs. Touche, Ross, Bailey & Smart, also retire, and being eligible, offer themselves for reappointment.

The Annual Meeting of the shareholders will be held in Montreal on Thursday, December 15th, 1966. Shareholders unable to be present are requested to complete and return the enclosed form of proxy.

On behalf of the Board,

L. J. BELNAP, *Chairman.*

FRED N. DUNDAS, *President.*

Montreal, November 22nd, 1966.

# DOMINION GLASS

## CONSOLIDATED BALANCE S

### Assets

	SEPTEMBER 30, 1966	SEPTEMBER 30, 1965
<b>CURRENT:</b>		
Cash . . . . .	\$ 290,006	\$ 307,009
Government bonds, at cost. . . . . (Market value at September 30, 1966—\$1,489,950)	1,483,000	2,965,431
Accounts receivable . . . . .	4,672,187	3,873,265
Income taxes recoverable. . . . .	270,077	611,822
Prepaid expenses . . . . .	764,380	646,947
Manufactured products, materials and supplies, valued at cost or market, whichever is the lower	<u>13,249,271</u>	<u>12,336,648</u>
	\$20,728,921	\$20,741,122
Special refundable tax . . . . .	100,575	—
<b>FIXED:</b>		
Real estate, buildings and equipment, at cost . . .	\$41,845,460	\$40,275,630
Less: Accumulated depreciation (including deple- tion of \$134,629) . . . . .	<u>24,551,505</u>	<u>23,000,876</u>
	17,293,955	17,274,754
	<u>\$38,123,451</u>	<u>\$38,015,876</u>

SIGNED ON BEHALF OF THE BOARD:

L. J. BELNAP, *Director.*

FRED N. DUNDAS, *Director.*



# COMPANY LIMITED

(AND SUBSIDIARY COMPANIES)

AS AT SEPTEMBER 30, 1966

## Liabilities and Capital

	SEPTEMBER 30, 1966	SEPTEMBER 30, 1965
CURRENT:		
Bank indebtedness . . . . .	—	\$ 1,000,000
Accounts payable and accrued charges. . . . .	\$ 4,835,743	4,861,234
Dividends payable:		
Preferred. . . . .	45,320	45,323
Common . . . . .	318,905	318,902
Taxes payable . . . . .	107,258	75,578
	<u>\$ 5,307,226</u>	<u>\$ 6,301,037</u>
Provision for future income taxes — note 2(a) . . .	2,300,000	1,400,000

## Shareholders' Equity

### CAPITAL:

Authorized —		
260,000 — 7% cumulative preferred shares, par value \$10 — note 1		
2,500,000 — common shares of no par value		
Issued —		
258,970 — preferred shares . . . . .	\$ 2,589,700	\$ 2,589,900
2,126,030 — common shares . . . . .	4,260,300	4,260,100
	<u>\$ 6,850,000</u>	<u>\$ 6,850,000</u>
NET INCOME RETAINED AND EMPLOYED IN THE BUSINESS . . . . .	\$23,666,225	\$23,464,839
	<u>\$30,516,225</u>	<u>\$30,314,839</u>
	<u>\$38,123,451</u>	<u>\$38,015,876</u>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, SEPTEMBER 30, 1966

- The holder of each of the 7% cumulative preferred shares has the right to convert to common shares of the company at any time prior to December 29, 1977 on the basis of one fully paid common share for each preferred share held. During the year the holders of 20 preferred shares exercised this right leaving a balance of 258,970 common shares of the company reserved for this purpose at September 30, 1966.
- The following affect the current amount of income taxes payable:
  - The company intends to claim capital cost allowances in excess of the depreciation recorded in the accounts for the year ended September 30, 1966 thereby reducing the amount of the current income taxes payable by \$900,000. This amount

has been set aside as a provision for future income taxes which may be payable when the depreciation recorded in the accounts may exceed that allowable for income tax purposes.

- The company provides for the major repairs to its furnaces on an accrual basis whereas the income tax department has ruled that such expenditures may only be deducted from income for tax purposes in the year they are incurred. The aggregate amount of income taxes paid or payable amounting to \$960,000 (of which \$20,000 applies to current year) has been set aside as a deduction from the accrual for major furnace repairs to be applied to the provision for income taxes in the year such expenditures are made.

**DOMINION GLASS COMPANY LIMITED**

(AND SUBSIDIARY COMPANIES)

**STATEMENT OF CONSOLIDATED INCOME**

	SEPTEMBER 30	
	1966	1965
Sales . . . . .	\$54,118,435	\$47,951,471
Income from investments . . . . .	102,116	165,048
Net gain on realization of assets . . . . .	71,036	40,710
	<u>\$54,291,587</u>	<u>\$48,157,229</u>
Cost of goods sold, selling, general and administrative expenses . . . . .	\$49,260,862	\$43,117,254
Remuneration of directors and officers who are also directors . . . . .	154,081	154,819
Depreciation . . . . .	1,658,360	1,620,549
Provision for income taxes — note 2 . . . . .	1,560,000	1,635,000
	<u>\$52,633,303</u>	<u>\$46,527,622</u>
Net income for the year . . . . .	<u>\$ 1,658,284</u>	<u>\$ 1,629,607</u>

**STATEMENT OF CONSOLIDATED NET INCOME RETAINED AND EMPLOYED IN THE BUSINESS**

	SEPTEMBER 30	
	1966	1965
Balance at beginning of year . . . . .	\$23,464,839	\$22,878,765
Transfer of reserves no longer required . . . . .		1,803,786
Taxes on income paid in prior years applicable to accrual for furnace repairs — note 2(b) . . . . .		810,500
		<u>\$ 2,614,286</u>
Less: Write-off of patent rights, trademarks and goodwill. . . . .		2,200,920
		<u>413,366</u>
Net income for the year . . . . .	1,658,284	1,629,607
	<u>\$25,123,123</u>	<u>\$24,921,738</u>
Dividends:		
Preferred . . . . .	\$ 181,286	\$ 181,293
Common . . . . .	1,275,612	1,275,606
	<u>\$ 1,456,898</u>	<u>\$ 1,456,899</u>
Balance at end of year . . . . .	<u>\$23,666,225</u>	<u>\$23,464,839</u>



# AUDITORS' REPORT TO THE SHAREHOLDERS

DOMINION GLASS COMPANY, LIMITED,  
MONTREAL, QUE.

We have examined the accompanying consolidated balance sheet of Dominion Glass Company, Limited and subsidiary companies as at September 30, 1966 and the consolidated statements of income, net income retained and employed in the business and source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company and its subsidiaries as at September 30, 1966, the results of their operations and the source and application of funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS, BAILEY & SMART,  
*Chartered Accountants.*

Montreal, Que.  
November 15, 1966.

## STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

*For the Year Ended September 30th, 1966*

### SOURCE OF FUNDS:

Net income for the year . . . . .		\$1,658,284
Non-cash items included in income —		
Depreciation . . . . .	\$1,658,360	
Provision for future income taxes . . . . .	900,000	
		<u>2,558,360</u>
		<u>\$4,216,644</u>

### APPLICATION OF FUNDS:

Invested in plant and equipment. . . . .	\$1,677,561	
Dividends paid . . . . .	1,456,898	
Special refundable tax . . . . .	100,575	
		<u>\$3,235,034</u>
Increase in working capital . . . . .		981,610
		<u>\$4,216,644</u>

# **DOMINION GLASS COMPANY LIMITED**

## **GENERAL OFFICE**

1111 BEAVER HALL HILL, MONTREAL

## **FACTORIES**

MONTREAL, QUEBEC; HAMILTON, WALLACEBURG, ONTARIO;  
REDCLIFF, ALBERTA AND BURNABY, B.C.

## **SALES OFFICES**

MONTREAL, QUEBEC CITY, QUEBEC; HALIFAX, NOVA SCOTIA;  
TORONTO, HAMILTON, ONTARIO; WINNIPEG, MANITOBA;  
REDCLIFF, ALBERTA AND BURNABY, B.C.

## **PRODUCTS**

BOTTLES AND JARS OF ALL DESCRIPTIONS  
FOR PACKAGING, BOTTLING  
AND HOUSEHOLD USE  
TABLEWARE, KITCHENWARE, TUMBLERS,  
PLAIN AND DECORATED  
LANTERN GLOBES  
ILLUMINATING AND INDUSTRIAL GLASSWARE  
PLASTIC CONTAINERS

## **COLOURS**

AMBER, FLINT, GREEN, BLUE, OPAL





